

November 20, 1967

Dr. Wang Wen-san
Taipei, Taiwan

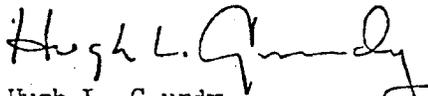
Dear Dr. Wang:

In response to a request from you that our companies clarify your personal relationships with Civil Air Transport Company Limited and Air Asia Company Limited and the question of retirement benefits, please be advised that a careful review of your status has been made by those concerned. It has thereby been reaffirmed that most recently you were retained as a Director of Civil Air Transport Company Limited and a part time consultant of Air Asia Company Limited for which you have been paid agreed fees. In these capacities you are not subject to employee status and accordingly not eligible for retirement programs applicable to employees. No retirement age, or program, has been established for consultants or directors.

In recognition, however, of your valuable contribution to the companies over the years a gratuity of US\$20,000 (U. S. dollars twenty thousand) has been approved, not to be paid, however, as long as Air Asia or any associated company maintains a management or equity relationship with CATCL, or until you may choose to discontinue your services. In the meantime the agreed fees shall continue, subject however to appropriate reduction should your services be rendered to only one of the companies.

All concerned are, of course, deeply appreciative of your dedication and loyalty over the years.

Sincerely yours,



Hugh L. Grundy
Managing Director,
Civil Air Transport Company Limited
President,
Air Asia Company Limited